

FISCAL IMPACT STATEMENT ON BILL NO. **H3794**

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TO:	The Honorable Daniel T. "Dan" Cooper, Chairperson, House Ways and Means Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Allan Kincaid		
DATE:	April 22, 2008	SBD:	2008249

AUTHOR:	Representative Littlejohn	PRIMARY CODE CITE:	1-11-720
SUBJECT:	State Retirement System and State Health Plan		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

The proposed Bill amends several sections of the Code of Laws of South Carolina to allow employees of certain providers to the South Carolina Department of Disabilities and Special Needs to participate in the South Carolina Retirement System and the State Health Plan.

EXPLANATION OF IMPACT:

State Health Plan

A review of this Bill indicates that since the employer/employee of the providers must pay premium costs based on an experience rating as the determined by the State Budget and Control Board, there will be no impact on the General fund of the State or on Federal and/or other funds.

South Carolina Retirement System (SCRS)

A review of this Bill by the Retirement System indicates that since the entities will pay the costs of participation through employer/employee contributions, there is no fiscal impact on the General Fund of the State or on Federal and/or other funds. (See note below).

SPECIAL NOTES:

According to Section 9-1-470 of the Code of Laws of South Carolina, 1976, all governmental entities, like state agencies may participate in the South Carolina Retirement System. However, it has been previously determined by the SCRS that the Babcock Center and the Charles Lea Center are private entities and are not eligible to participate in the SCRS. To include non-governmental private entities in the SCRS could jeopardize the SCRS' tax qualified status with the Internal Revenue Service and its exemption from the provisions of then Employee Retirement Income Security Act (ERISA).

Approved by:



Harry Bell
Assistant Director, Office of State Budget